

Sample article for organizations to use to reach customers

Customize and post the following article on your website or use it in other communication vehicles to alert your customers about the 2011 tax credits.

Saving energy can save you money

If you made your home more energy efficient this year, you may be eligible for a non-refundable personal tax credit. Improvements such as insulation, energy exterior doors and windows, water heaters, furnaces and air conditioners could get you up to \$500, of which only \$200 may be used for windows. The home must be an existing home and your main residence. Use [Form 5695, Residential Energy Credits](#), to claim this tax credit.

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 extended the tax credits for improvements through 2011, *but at lower levels*. The credit for 2011 is 10 percent of the cost of the improvements — up to \$500. The credit is limited to a smaller amount for some improvements.

The credit also has a \$500 lifetime limit. This means that, if you received any tax credits for improvements from 2006 through 2010, those tax credits count towards your lifetime limit. For example:

If you received a credit of \$800 in 2009, then you are not eligible for anything more in 2011. However, if you got a \$400 tax credit in 2010, then you would be eligible for a tax credit of up to \$100 in 2011, if you made qualifying energy improvements in 2011.

Since these tax credits are non-refundable tax credits, you can't get more back in tax credits than you pay in federal income tax.

For information on energy-efficient products, visit the U.S. Department of Energy's [Energy Star Web site](#). Keep in mind that not all Energy Star products qualify for the tax incentive.

NOTE TO EDITOR: *Below is a link to www.irs.gov for more information about tax incentives for individuals to invest in energy-efficient products.*

- IRS video on YouTube: [Recovery: Cut your energy costs and taxes](#)